

On Page 18, please replace lines 11-21 as follows:

Figure 3 illustrates a cross-section of the invention's preferred embodiment punch assembly 1, and die assembly 2, which cooperate to punch holes in a web material 78, while said material is passing between the two units. Each time a solenoid valve 22 receives an electrical impulse from CPU 33, it opens and allows compressed air to flow through tube 21 to punch assembly 1. Compressed air passing through hole 83 in housing cap 50 moves actuator 56 downward which pushes plunger 59 downward overcoming the resistance of spring 62. Movement of actuator 56 is halted when it strikes a step in housing 53. At this point, the compressed air is exhausted through holes 81 in housing body 53 and 85 in housing cap 50. Plunger 59 continues to move downward from momentum until the steel ball 65 strikes die unit 2 and rebounds to be held in its original starting position by the force exerted by spring 62. The air compressed by the return of plunger 59 and actuator 56 is exhausted through the vent hole ~~83~~ 85 in housing cap 50. Hole 68 in housing 53 allows passage of air to prevent